

## Adult Medicaid

Adult Medicaid is a program that helps with medical bills such as doctor fees, prescription drugs, hospital charges, and nursing home care for eligible individuals that are aged, disabled, or blind. Income and resource limits apply. No money is paid to the client. The eligible client receives a Medicaid identification card through the mail to show the health care provider. Medicaid can also cover medical bills from up to 3 months prior to the month of application and in which there is a medical need.

The blue Medicaid identification card indicates the recipient is eligible for all Medicaid services. Each eligible family member has a specific recipient MID number; however, in some instances, not every member of the same family may be eligible for Medicaid. Family members are only eligible for Medicaid if their name and MID number appear on the card.

The buff Medicaid identification card indicates the recipient is eligible for the Medicare-Aid program. If Medicare covers the service, then Medicaid will pay the coinsurance and/or deductible. If Medicare denies the service, then Medicaid will also deny.

### Adult Medicaid Eligibility Summary:

Medicaid benefits and eligibility vary according to a person's circumstances. Following is a brief explanation of eligibility for Medicaid and Medicare-Aid.

There are several different groups of individuals who qualify for Medicaid benefits. All have income limits and some have resource limits. Individuals who are eligible for full Medicaid benefits receive a Medicaid card each month. Medicaid may also be retroactive to cover medical bills from the 3 months prior to the month of application.

**Medicaid for Aged (65 and older), Blind and Disabled Persons.** The income limit is equal to 100% of the poverty level. There is a limit on resources.

## Medicaid for Long Term Care (LTC)

Medicaid pays for medically necessary nursing home care for patients in skilled or intermediate care nursing homes or in intermediate care facilities for the mentally retarded. The patient's income must be less than the cost of care in the facility at the Medicaid rate, and there is a limit on resources. If the patient or his representative gives away assets or sells them for less than market value, he may be ineligible for payment of the cost of care. The sanction period is based upon the value of the assets transferred away. For more on long-term care, see FAQ's.

### Financial Rules For Long Term Care Recipients

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### Financial Protection for a Spouse of a LTC Client

Medicaid policy specifies that when a legally married individual needs Medicaid to help pay for nursing facility services, a portion of the couple's income and assets may be protected for the spouse at home, the community spouse. The following is a summary of spousal protection rules:

- Medical services: nursing home care, hospital care that exceeds 30 days, or services provided by the Community Alternatives Program (services which enable an individual to remain at home who would otherwise be institutionalized)
- The community spouse is allowed to keep one half of the couple's assets, with a minimum of \$18,132 and a maximum of \$90,660 (current as of 1/1/2003).
- The protected share is calculated by assessing the value of all assets owned separately or jointly by either spouse at the point the individual becomes institutionalized. The homesite is generally not counted in determining the value of assets since the homesite is protected for the spouse.
- The nursing facility spouse must spend his half of the assets on his care prior to becoming Medicaid eligible. A nursing home recipient is allowed a maximum of \$2,000 in assets.
- The protected assets, including the homesite, must be transferred to the name of the community spouse.
- Once assets have been allocated following spousal impoverishment rules, and the spouse in the nursing facility is found eligible for Medicaid, spousal financial responsibility ends and each spouse will be treated separately for Medicaid purposes.
- A portion of a married institutionalized Medicaid recipient's income may also be allocated to the community spouse.
- Income is allocated for the needs of the community spouse if the community spouse's income is less than 150% of the poverty level (currently \$1,515). It is also possible to allocate additional income to the community spouse for excessive shelter costs.

Income may also be allocated for the needs of other dependents.

#### **Transfer of Assets in LTC Cases**

Medicaid law prohibits the transfer of assets for less than market value by an institutionalized Medicaid applicant/recipient or anyone acting on their behalf.

- Certain transfers are allowable, such as the transfer of a homesite to a spouse or disabled child.
- The lookback period is 3 years (5 years for transfers to a trust) from the date of application or institutionalization, whichever occurs later.
- A sanction is applied for a period of time based on the value of the asset and begins the month the asset is transferred. The length of the sanction is determined by dividing the value of the transferred assets by the average monthly private cost for nursing home care (currently \$4,200). The sanction begins with the month of the transfer.
- During the sanction period the individual may be eligible for Medicaid but Medicaid will not pay for institutional services.

#### **Estate Recovery in LTC Cases**

- When a Medicaid recipient in a nursing home or receiving CAP services dies, Medicaid files a claim against the estate to recover expenses paid by Medicaid.
- Estate recovery is waived if there is a spouse or dependents who continue to live on the property, the total assets in the estate are less than \$5,000, Medicaid charges are less than \$3,000, or in cases of hardship.

Please be aware that eligibility rules and income/asset amounts are subject to frequent change. For further information regarding eligibility for Medicaid payment of long term care services, please contact the Montgomery County Department of Social Services, or call the NC DHHS Medicaid Eligibility Unit through the toll free CARE-LINE at 1-800-662-7030.

#### **Automatic Eligibility for Medicaid:**

Individuals who qualify for certain cash assistance programs automatically qualify for Medicaid without a separate application. If cash assistance ends, the Medicaid may be continued if the individual meets the eligibility criteria for another type of Medicaid. The programs which include automatic Medicaid are:

- \* Supplemental Security Income (SSI) for elderly, blind and disabled individuals
- \* State/County Special Assistance (SA) assistance for payment of rest home expenses for elderly, blind and disabled individuals

### **Medicare-Aid:**

Individuals who have Medicare coverage may be eligible to have their Medicare premiums paid by Medicaid if their income is between 100% and 135% of the poverty level. There is a limit on resources.

## **Adult Medicaid - FREQUENTLY ASKED QUESTIONS (FAQ's)**

### **Q. Can I receive Medicaid if I don't have children?**

**A.** Adults (people who are age 21 and over) may be eligible for Medicaid if they are:

- Age 65 or older
- Blind
- Disabled
- The caretaker/relative of (living with and caring for) a child under age 19 who receives Medicaid (Refer to Work First Program)
- Pregnant (Refer to Work First Program)

### **Q. What is a deductible?**

**A.** A deductible in Medicaid works much like a deductible for private insurance. A person is responsible for a certain amount of medical bills before insurance pays. The difference is that a Medicaid deductible is not a set dollar amount (such as \$100 or \$250). It is based upon the person's income. If income is more than a limit set by law there must be a deductible. The deductible is the amount of income over the income limit. A deductible can be for 1, 2 or 3 months before the month of application or for a period of 6 months beginning with the month you apply.

### **Q. How do I meet the deductible?**

**A.** A Medicaid deductible is met by adding up medical costs on a day by day basis. When a Medicaid applicant pays or is billed for medical care, supplies and prescriptions, he has incurred these costs and may have them applied to his deductible. Only the portion of the bill that the person must pay can be applied to the deductible. (For example, a person with health insurance may only be responsible for 10% or \$50 of a \$500 bill. Fifty dollars is the amount that can be applied to meet the Medicaid deductible.) You can be authorized for Medicaid on the date that the bills add up to the amount of the deductible.

### **Q. Whose Income/Medical Bills are counted toward the deductible?**

**A.** In Medicaid, your spouse's income must be counted in determining eligibility. Likewise, a parent's income must be counted when determining eligibility for a child. Because these individuals' income is counted, their medical bills may be applied to the Medicaid deductible. For additional information about deductibles, refer to the Medicaid Deductible Fact Sheet.

### **Q. How do I apply for Medicaid?**

**A.** Contact the Montgomery County Department of Social Services (MCDSS) at (910) 576-6531 or visit the office at 102 E. Spring St. in Troy, NC. If you are unable to go to MC Social Services, you may request a home visit. If you have further questions regarding Medicaid eligibility after contacting the county department, call the NC Office of Citizen Services CARE-LINE Information and Referral Service toll-free at 1-800-662-7030 (Voice and Spanish) and someone will assist you. For local calls or calls from outside of North Carolina, dial (919) 733-4261. The Office of Citizen Services also has a dedicated TTY line at 1-877-452-2514 or for local TTY or TTY calls from outside of North Carolina, dial (919) 733-4851 for deaf and hearing impaired.

The NC Office of Citizen Services can also provide you with information and referrals on other Department of Health and Human Services programs along with other government and non-profit agencies that may be helpful, as well as tell you about prescription assistance programs available through drug manufacturers. (Office of Citizen Services – 1-800-662-7030 (Voice and Spanish); (919) 733-4261 (local or out of state calls); 1-877-452-2514 (TTY Dedicated) and (919) 733-4851 (TTY Dedicated for local or out of state calls).

**Q. What do I need to take to apply for Medicaid?**

**A.** You are not required to take anything with you when you apply for Medicaid. However, it is very helpful if you have your Social Security Number, proof of your income and information about your resources (such as your bank account number and your insurance policy number.) If you are self-employed, your business records and/or tax records would be helpful.

**Q. If my income is over the limits and I can't meet a deductible, are there other programs?**

**A.** Yes, the following programs are for adults who have Medicare. These programs may be referred to as Medicare Savings Programs.

- The MQB-Q program (or Comprehensive Medicare-Aid) pays the Medicare Part A and B monthly premium, Medicare deductibles, and co-insurance.
- The MQB-B (or Limited Medicare-Aid) program and the MQB-E (Limited Medicare-Aid Capped Enrollment) program both pay the Medicare Part B monthly premium.
- MWD pays the Medicare Part A premium for disabled individuals who have lost eligibility for Medicare Part A due to earnings greater than the amount allowed by the Social Security Administration.
- Some individuals who live in nursing homes qualify for Medicaid to pay for their cost of care. In addition, some individuals who are in need of nursing care can receive benefits under the Community Alternatives Program (CAP), which enables the person to stay home and receive needed services. There are additional requirements that must be met to qualify for these extra services. For example, there must be documented proof that the individual has a medical need for the services.
- Some individuals in adult care homes (rest homes) are eligible for a check from the Special Assistance program to help pay for their care in the home. These individuals also receive Medicaid to help pay for their medical care.

## **Long Term Care - FREQUENTLY ASKED QUESTIONS (FAQ'S)**

**Q. If a person goes into a nursing home, can that person keep his home?**

**A.** There is no requirement in Medicaid policy to dispose of your home. Your local department of social services can provide more detail.

**Q. How much income can a spouse who remains in the home keep?**

**A.** The spouse at home can keep all of the income he/she receives for himself. Depending on his or her needs and income, the spouse may also receive a portion or all of the institutionalized spouse's income also. Refer to the Financial Rules for Long Term Care Recipients Fact Sheet for additional information about protection of resources and income for the spouse who remains at home.

**Q. What is the asset limit for a person in the nursing facility? What is the asset limit for the spouse at home?**

**A.** The asset limit for a person in the nursing facility is \$2,000. A married couple is not required to spend all of their assets down to \$2,000. In most circumstances, one-half of the total of all countable assets may be kept by the spouse at home. The limit on the maximum amount of assets that may be kept by the spouse at home changes annually. Certain assets such as the home, a car and all personal possessions are not countable assets. Further information can be found on the Financial Rules for Long Term Care Recipients Fact Sheet.

**Q. What happens if a person gives away his property or assets and then needs help in paying for long term care?**

**A.** Only under certain specific circumstances may assets be given away without penalty. The person in the nursing home may be ineligible for Medicaid to pay for cost of care in a nursing facility for a specific period of time.

**Q. What does skilled level or intermediate level care mean?**

**A.** Skilled level or SNF provides 24-hour skilled nursing care with a Registered Nurse (RN) or Licensed Practical Nurse (LPN) on duty at all times. Intermediate level or ICF provides 8 hours per day of nursing supervision by either a RN or LP.

**Related Links:**

North Carolina DHHS On-line Publications - Adult Medicaid  
<http://info.dhhs.state.nc.us/olm/manuals/dma/abd/man/index.htm>

**For more information, contact:**

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